weekly economic review

November 29, 2013

Average Weekly Earnings

Growth remains subdued

Weekly earnings in Alberta inched up to $1,115 in September, a 2.6% increase over the same month last year. This is the third consecutive month that earnings have increased by less than 3% on a year-over-year (y/y) basis. Year-to-date, earnings have grown by 3.2%, almost two percentage points higher than consumer price inflation.

Farm Cash Receipts

Receipts tracking ahead of last year's record high

In Alberta's agriculture sector, strong crop production continues, which has helped offset recent price declines. In the first three quarters of 2013, Alberta farm receipts came in at $9.1 billion, 2.1% above the same time last year. The year-to-date gain is entirely due to strength in the first quarter, as receipts were down year-over-year in both the second and third quarter. Despite strong growing conditions, total crop receipts dipped 18.1% y/y in the third quarter, as wheat, canola and barley prices all dropped sharply. Livestock receipts, which are about half of total farm receipts this year, are roughly unchanged on a year-to-date basis.

Investment in New Housing Construction

Breaking new heights

Alberta investment in new housing set a new high in September, up 5.8% y/y to $928 million. Growth is up 12% year-to-date despite more moderate growth in recent months. Apartment investment shows no signs of slowing, up 24.0% in September, and 31% year-to-date. Single family home investment growth was more subdued, at 3.5% y/y. Nationally, new housing construction continues to trend lower, falling 7.5% y/y in September.

Rigs Drilling

Fewer rigs active

After three months of increasing activity, the average number of rigs drilling in Alberta decreased by 9.8% y/y in November. Year-to-date, the average number of rigs drilling remains 5.5% below last year.

Rail Transport of Crude Products

Tracking upwards

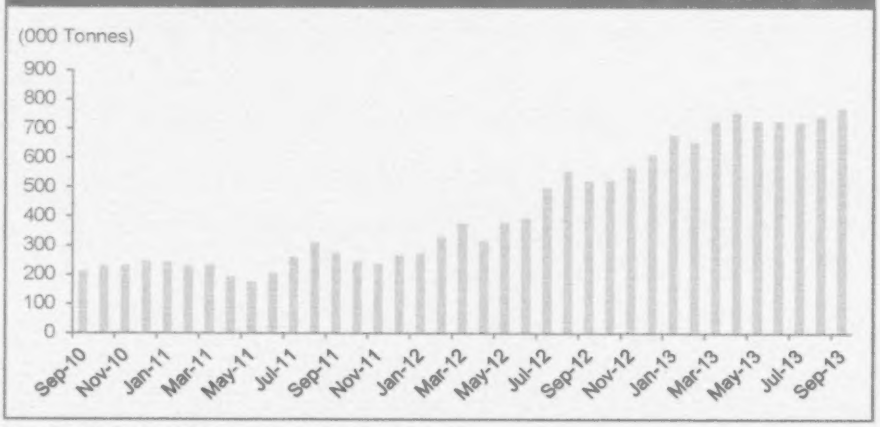
The rail industry continues to move increasing amounts of crude oil products. The amount of fuel oil and crude petroleum transported increased to about 770,000 tonnes in September, an all-time high. Tonnage of these products increased 48% over the same month last year, the 21st straight month of double digit growth. Year-to-date, the increase is 79%.

Canadian GDP Growth

Growth accelerates in the third quarter

The Canadian economy expanded by 2.7% (annualized) in the third quarter, up from 1.6% in the second quarter. The growth was the highest in two years, and partly reflected the rebound after the temporary disruptions of the Southern Alberta flooding and the Quebec construction strike. Both events hampered growth in the second quarter. Household consumption and inventories were the largest contributors to growth.

Rail Transport of Fuel Oils and Crude Petroleum from Western Canada



Source: Statistics Canada

Closing Price	Nov. 21, 2013	Nov. 28, 2013	2013-14 Fiscal YTD
Canadian Dollar (US$/$CAN)	95.18	94.38	96.75
WTI Oil ($US/bbl)	95.44	92.30	99.40
NYMEX Natural Gas($US/MMBtu)	3.70	3.90	3.75

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Alberta Economic Indicators

Population	2011	2012	2013YTD	June	July	Aug	Sept	Oct	Nov
Population (000's)	3,790	3,889	4,025	--	4,025	--	--	--	--
y/y % change	1.5	2.6	3.5	--	3.5	--	--	--	--
Net Interprovincial Migration[1]	8,443	27,652	52,677	--	13,791	--	--	--	--
Net International Migration[1]	19,411	40,842	52,551	--	20,467	--	--	--	--
Net Non-permanent Residents[1]	-7,251	10,085	19,560	--	10,472	--	--	--	--
Labour Market									
Employment (000's), SA	2,094	2,150	2,199	2,201	2,217	2,232	2,236	2,237	--
y/y % change	3.8	2.7	2.7	2.6	3.0	3.6	3.7	3.5	--
Unemployment Rate (%), SA	5.5	4.6	4.5	5.0	4.5	4.8	4.3	4.4	--
Participation Rate (%), SA	73.7	73.4	73.0	73.1	73.0	73.6	73.1	73.0	--
NEW! Average Weekly Earnings ($), SA	1,035.75	1,072.98	1,103.77	1,104.47	1,103.08	1,110.83	1114.95	--	--
y/y % change	4.4	3.6	3.2	3.4	2.1	0.8	2.6	--	--
Price Indices									
Consumer Price Index (y/y % change)	2.4	1.1	1.4	2.3	2.2	1.4	1.3	1.0	--
Excluding food and energy	0.8	1.4	1.3	1.6	1.9	1.6	1.5	1.6	--
Non-Res. Building Const. Price Index[2] (y/y % change)	3.4	3.8	1.2	0.9	--	--	1.2	--	--
Farm Product Price Index (y/y % change)	18.1	6.3	4.9	5.3	--	--	--	--	--
Crops	19.0	6.7	8.0	5.9	--	--	--	--	--
Livestock	17.2	5.9	2.2	4.7	--	--	--	--	--
Household Sector									
Housing Starts (SAAR, 000's)	25.5	33.3	35.4	36.1	35.6	28.8	30.8	37.2	--
y/y % change	5.0	30.7	7.3	12.8	7.2	-1.7	-7.7	10.3	--
New Housing Price Index[3] (y/y % change)	0.4	1.3	2.7	2.9	3.0	3.3	3.1	--	--
Edmonton	0.9	0.9	0.6	0.6	0.6	0.8	0.2	--	--
Calgary	-0.1	1.7	4.9	5.3	5.8	6.1	6.4	--	--
MLS Average Resale Prices ($ 000's)	352.7	362.0	378.4	376.5	378.7	367.2	384.3	381.3	--
y/y % change	0.5	2.6	5.2	4.4	4.9	6.6	7.8	4.0	--
Edmonton ($ 000's)	324.2	332.7	342.4	344.7	340.4	347.5	346.9	339.9	--
y/y % change	0.7	2.6	3.4	3.7	2.9	4.2	7.7	0.0	--
Calgary ($ 000's)	401.9	410.8	433.6	431	438.7	440.8	436.5	436.3	--
y/y % change	1.1	2.2	6.6	5.3	6.8	7.8	8.6	4.2	--
Retail Sales, SA (y/y % change)	6.8	6.9	6.4	7.9	6.3	5.7	6.3	--	--
New Motor Vehicle Sales (y/y % change)	9.6	10.5	6.1	3.4	6.5	7.0	2.1	--	--
NEW! Consumer Bankruptcies	7,029	5,759	3,699	375	385	379	375	--	--
y/y % change	-13.6	-18.1	-17.8	-22.5	-21.3	-16.5	-10.9	--	--
Business Sector									
NEW! Rigs Drilling	286	250	233	115	187	239	251	239	233
y/y % change	30.4	-12.6	-5.5	-17.1	-5.9	7.0	9.6	1.0	-9.8
Goods Exports, customs based (y/y % change)	18.4	2.8	5.9	0.5	9.3	9.5	16.8	--	--
Energy	19.2	3.6	7.8	0.3	11.1	15.0	25.7	--	--
Farm, Fishing and Intermediate Food	27.2	20.6	-4.2	-16.0	5.8	-20.8	-24.9	--	--
NEW! Farm Cash Receipts (quarterly, y/y % change)	16.7	14.1	2.1	3.5	--	--	3.4	--	--
Manufacturing Shipments, SA (y/y % change)	17.3	3.4	0.7	3.6	3.6	8.1	2.2	--	--
Wholesale Trade, SA (y/y % change)	14.7	10.9	2.2	1.7	2.2	1.4	1.6	--	--
Building Permits, SA (y/y % change)	11.8	14.8	20.9	21.6	50.4	1.1	21.6	--	--
Residential	5.2	18.2	15.7	16.6	29.1	5.9	33.1	--	--
Non-residential	20.9	10.7	25.9	26.5	79.7	12.9	3.5	--	--
NEW! Business Bankruptcies	264	230	100	9	9	7	13	--	--
y/y % change	-30.2	-12.9	-44.8	-59.09	-43.8	-30.0	38.1	--	--

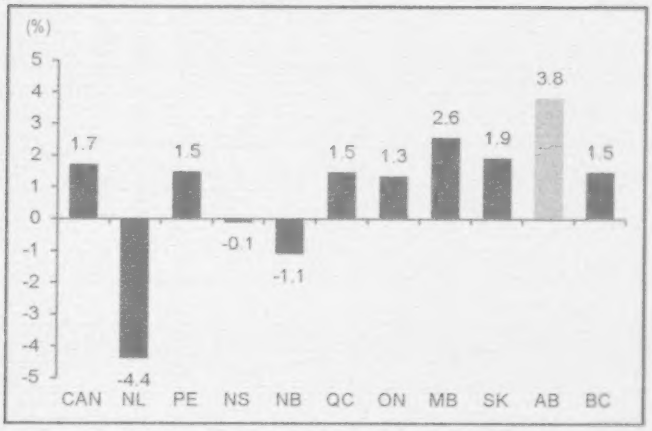
1 Quarterly, annual numbers are presented on a census year basis (July 1 - June 30)
2 Quarterly, average of Calgary and Edmonton
3 Average of Calgary and Edmonton
YTD (year-to-date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate

Sources: All data are from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canada Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (office of the superintendent of Bankruptcy Canada)

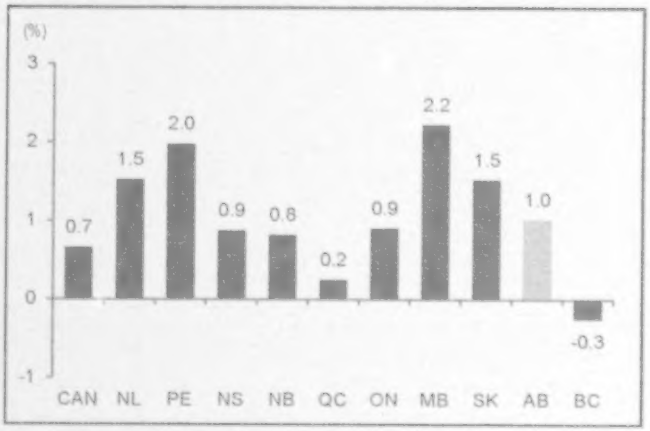
All historical data are subject to revision.

Economic Indicators by Province

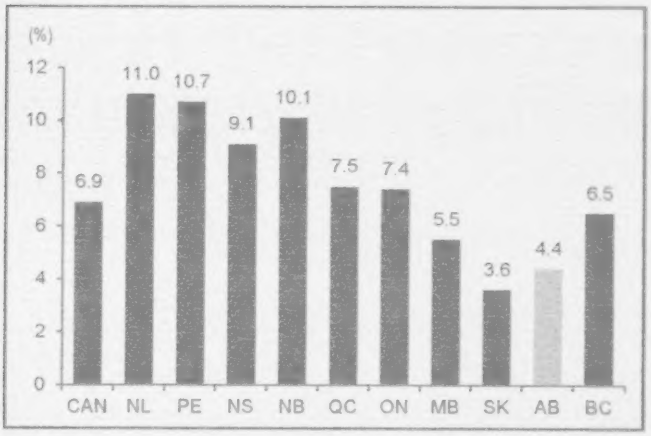
Real GDP at Market Prices
(2012, year-over-year growth)



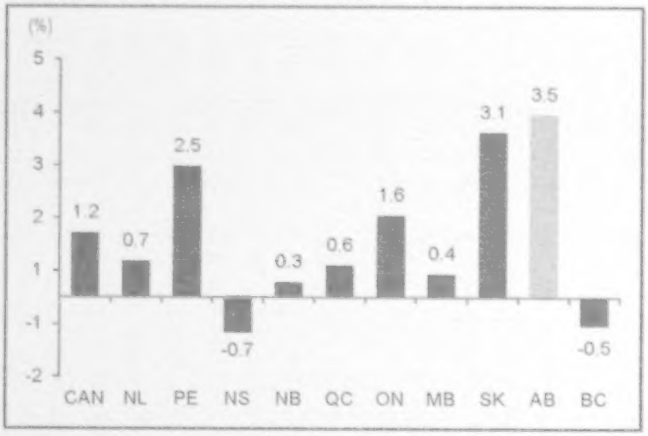
CPI Inflation
(October 2013, year-over-year growth)



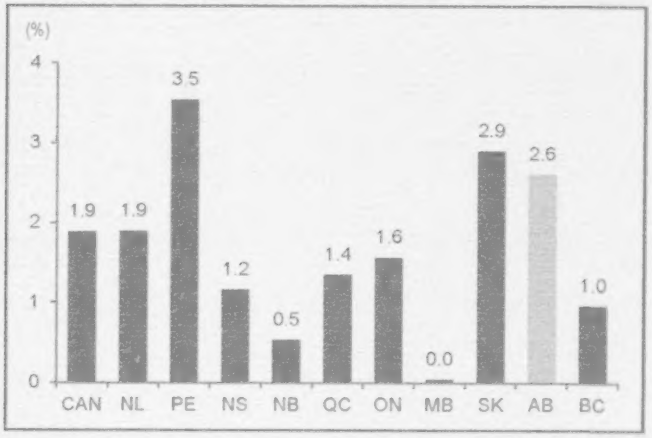
Unemployment Rate
(October 2013)



Employment
(October 2013, year-over-year growth)



Average Weekly Earnings
(September 2013, year-over-year growth)



Housing Starts
(October 2013, SAAR, year-over-year growth)